



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 11/9/2004

GAIN Report Number: IT4032

Italy

Fishery Products

US Lobsters Dominate Italian Import Market 2004

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Report Highlights:

The United States is the number one supplier of fresh lobsters to the Italian market. Improving supply of the frozen product could result in further market penetration for U.S. product. Market prices are expected to move upwards during the Christmas period.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Rome [IT1]
[IT]

Italy: US lobsters dominate Italian imports

In recent years, annual Italian lobster imports have fluctuated between 4 500 and 5 000 MT. Live *Humarus* species dominate imports, accounting for some two-thirds of total volumes last year. Seventy-five percent of these come from the United States.

At almost €65 million, the annual value of Italian lobster imports is less than half that of France. While the USA is by far the largest supplier to Italy, other key suppliers include Canada (830 MT) and Spain (550 MT). These three countries accounted for over 80% of total Italian lobster imports last year.

Italian imports of lobsters 2003 - Volume (Kilos)

HS Code	Product description	From USA	From World	U.S./World Share
030611	Rock lobster and other sea crawfish (palinurus spp., panulirus spp., jасus spp.) including in shell, cooked by steaming or by boiling in water, frozen	204	954,538	0%
030621	Rock lobster and other sea crawfish, live, fresh, chilled, dried, salted or in brine, or cooked by steaming or boiling in water, not frozen	13,033	361,403	4%
030612	Lobsters (homarus spp.), including in shell, cooked by steaming or by boiling in water, frozen	10,849	35,599	30%
030622	Lobsters (homarus spp.), live, fresh, chilled, dried, salted or in brine, or cooked by steaming or boiling in water, not frozen	2,662,221	3,308,353	80%
160530	Lobster, prepared or preserved, including products containing fish meat		9,590	0%
TOTAL		2,686,307	4,669,483	58%

Source: Istat – national trade statistics

According to the United States International Trade Commission, the value of U.S. Homarus lobsters live or chilled (HS030622) exported to Italy in 2003 was US\$42 million, up from US\$37.2 million in 2002.

Trends for 2004

For 2004, Italy is following the general EU import trend, with import volumes, particularly for live lobsters, largely stable but with average prices down on last year. For example, imports of live (*Humarus*) lobsters, the most important category, came to just under 1 400 MT during the first six months of this year, virtually unchanged from the same period last year, but unit values were down 10%; a trend consistent with developments in other key European markets. Imports from the USA were stable at 1,100 MT. Much of the decrease in value can be explained by the weakening of the dollar against the Euro over the past year.

HS Code	Product description	Volume (MT)		Value (Euro mln)	
		2003	2004	2003	2004
030611	rock lobster and other sea crawfish (palinurus spp., panulirus spp., jasus spp.) including in shell, cooked by steaming or by boiling in water, frozen	0	4	3	52
030612	lobsters (homarus spp.), including in shell, cooked by steaming or by boiling in water, frozen	1		33	
030621	Rock lobster and other sea crawfish, live, fresh, chilled, dried, salted or in brine, or cooked by steaming or boiling in water, not frozen	4	1	71	16
030622	lobsters (homarus spp.), live, fresh, chilled, dried, salted or in brine, or cooked by steaming or boiling in water, not frozen	1,313	1,349	17,657	16,507
TOTAL		1,318	1,354	17,764	16,576

Source: Istat – national trade statistics

Outlook

As we go into the final quarter of 2004, indications are that the European lobster market will continue to feature the low prices characteristic of the first half of the year. Reports of poor production in North America during the fall season may, however, mean an increase in prices as we approach the traditional peak demand period of Christmas and New Year.

Marketing

While the United States provides the lion's share of fresh lobsters to the Italian market, (mainly from the Boston/Maine area), Italian importers note that U.S. exporters are not active in supplying frozen lobsters. There are only a few U.S. lobster companies that are providing frozen product to the Italian market. Italian importers are buying increasing volumes of frozen lobsters from Canada, which has now become the number one frozen lobster supplier in Italy. While the Italian frozen lobster market is only a fraction of the fresh, buyers note that for many commercial and retail uses they prefer the frozen product. Because the frozen product is less perishable, easier to handle, and can be adapted to market extensions from the current high-end HRI sector, they see market growth in this area.

Another factor helping the development of the frozen lobster market is that fresh product is difficult to distribute in Italy, with its multi-tiered distribution channels, during the heat of summer. There is, for example, only one commercial flight a day direct from Boston to Rome and another to Milan, that are used to transport fresh lobster to Italy. Unfortunately, however, often the product is mishandled during the unloading. In Italy, commercial goods are the last to be unloaded from a plane, well after the passengers and the luggage. These difficulties have been matched by periodic quality problems on the supply side.

There appears to be a broadening of the market for high end frozen product such as lobster, moving into stand-alone restaurants not associated with hotels. Frozen products are also moving into the retail sector, but it is likely that they will encounter some constraints. Unlike in the United States, Italian restaurants often lack the proper eating utensils. Similarly, few Italians know how to prepare lobster at home. If the U.S. lobster industry finds itself participating in market expansion in Italy into these sectors, it might want to consider working with hotel and restaurant schools, and Italian chefs to strengthen skills for serving and presenting, and to organize similar retail in-store presentations for the consumer.